

Message Text

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43

ACTION EUR-12

INFO OCT-01 EB-07 ISO-00 PM-04 NSC-05 SP-02 SS-15 L-03

H-02 AID-05 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00

USIA-15 TRSE-00 XMB-04 OPIC-06 CIEP-02 LAB-04 SIL-01

OMB-01 FCSC-01 /098 W
----- 121657

P R 131218Z NOV 75

FM AMEMBASSY BUDAPEST

TO SECSTATE WASHDC PRIORITY 4648

USOFFICE RFC PARIS PRIORITY

INFO AMEMBASSY VIENNA

UNCLAS BUDAPEST 3659

DEPT FOR EUR/EX AND EUR/EE

DEPT PLEASE PASS TREASURY

VIENNA FOR RBFO MRAZ

EO 11652: N/A

TAGS: AFIN HU

SUBJECT: SURPLUS PROPERTY DRAWDOWN ACCOUNT: JOHNSON ACT

REF: A. PARIS 25847

B. PARIS 27625

C. STATE 250958 (NOTAL)

D. STATE 250063 (NOTAL)

E. BUDAPEST 3483 (NOTAL)

1. AT REQUEST OF HUNGARIANS, EMBASSY ADMINISTRATIVE OFFICER
DISCUSSED WITH MINISTRY OF FINANCE OFFICIAL MOHAI NOV 11
FINAL PAYMENT FROM THE GOH SURPLUS PROPERTY DRAWDOWN ACCOUNT.

2. REFTel A REQUESTED 1,000,000 (ONE MILLION) FORINTS BE
DEPOSITED TO RFC ACCOUNT. THIS AMOUNT WAS CREDITED ON NOV 10
TO RFC ACCOUNT. EMBASSY WILL SEND DOCUMENTS ON THIS TRANSFER
BY NOV 13 POUCH TO RFC PARIS.

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3. REFTEL B REQUESTS TRANSFER OF ADDITIONAL 900,000 (NINE HUNDRED THOUSAND) FORINTS TO RFC ACCOUNT. MOHAI NOTIFIED ADMIN OFFICER THAT BALANCE OF SURPLUS PROPERTY DRAWDOWN ACCOUNT IS NOT SUFFICIENT TO COVER THIS REQUEST.

4. MINISTRY OF FINANCE RECORDS SHOW ACCOUNT PRINCIPAL NOW \$10,755 REPEAT \$10,755. MINFIN OFFICIAL CALCULATES INTEREST FROM JULY 1, 1975 TO NOV 17, 1975 AT \$1,384.34 REPEAT \$1,384.34, FOR TOTAL OF \$12,139.34.

5. IF TREASURY DEPT VERIFIES THESE TWO SUMS, GOH WOULD TRANSFER TOTAL OF 283,487.58 FORINTS (EQUIVALENT TO \$12,139.34) UPON TELEGRAPHIC REQUEST FROM RFC FOR THIS AMOUNT.

6. EMBASSY ASSUMES THAT ARREARAGE IN THIS ACCOUNT IS SAME AS THAT MENTIONED IN REFTELS C AND D; I.E. THE ONLY IMPEDIMENT, OTHER THAN THE WWI FLOUR DEBT, TO THE RELEASE OF HUNGARY FROM THE PROVISIONS OF THE JOHNSON ACT.

7. ACTION REQUESTED:

(A) FOR TREASURY: PLEASE VERIFY PRINCIPAL AND INTEREST AMOUNTS IN PARA FOUR ABOVE AND NOTIFY EMBASSY AND RFC PARIS BY NOV 14. PLEASE SEND FINAL DOCUMENTATION OF ACCOUNT CLOSING TO HUNGARIAN MINISTRY OF FINANCE, WITH COPY TO EMBASSY.

(B) FOR RFC PARIS: AFTER VERIFICATION RECEIVED FROM TREASURY, PLEASE TELEGRAPHICALLY REQUEST DRAWDOWN OF 283,489.58 FORINTS TO REPLACE REQUEST FOR 900,000 FORINTS IN REFTEL B.

(C) FOR TREASURY AND RFC PARIS: PLEASE ADVISE EMBASSY WHAT PROCEDURES WILL BE FOLLOWED IN FUTURE TO TRANSMIT AND CONVERT DOLLARS TO FORINTS FOR USE BY EMBASSY. RFC'S FORINT ACCOUNT CURRENTLY MAINTAINED AT HUNGARIAN NATIONAL BANK (MNB). BANK OFFICIAL INFORMED EMBASSY EMPLOYEE THAT EMBASSY ACCOUNT COULD REMAIN AT THIS UNCLASSIFIED

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BANK, RAHTER THAN BE TRANSFERRED TO THE FOREIGN TRADE BANK.

(D) FOR EUR/EE AND TREASURY: PLEASE INFORM EMBASSY EFFECT THIS FINAL DRAWDOWN WILL HAVE ON SURPLUS PROPERTY ARREARAGE GIVEN IN REF D.
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TAGS: AFIN, HU
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